Parliament a discussion paper entitled "Government Subsidies in India" in May, 1997, based on a detailed research study by the National Institute of Public Finance & Policy. The discussion paper concluded that subsidy reforms may be directed towards reduction in their size, making them of finite duration, using them for strict economic objectives, making them transparent and targetted, administering them through final goods and enhancing user charges for many services and goods for mitigating pressures on the fiscal deficit.

Proposal for National Regional Rural Bank of India

3762. SHRI PARAG CHALIHA: Will the Minister of FINANCE be pleased to state:

(a) whether any final decision has been taken by Government to set up the National Regional Rural Bank of India;

(b) if so, the details thereof; and

(c) if not, the reasons for not granting sanctioned for the opening of such a bank?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI R. JANARTHANAN): (a) to (c) After considering a number of alternative models for restructuring of Regional Rural Banks (RRBs), including-setting up of a National Rural Bank of India (NRBI), it was decided to revamp the RRBs by cleansing of their balance sheets on a "Stand alone" basis. Accordingly 151 out of 196 RRBs have been taken up during the period 1994—98, for comprehensive restructuring including cleansing up of their balance sheets and infusion of fresh capital. An amount of Rs. 774 crores (approx.) has been provided by the Central Government for this purpwse as budgetary support. The objective of this exercise has been to transform the presently weak and ailing RRBs into financially viable and effective instruments of decentralised rural banking.

Appointment of Officer-Director on Boards of Nationalised Banks

3763. SHRI GAYA SINGH:
SHRI J. CHITHARANJAN:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact the appointment of Officer-Director on the Boards of nationalised banks'are pending with the Ministry of Finance for the last so many years; and

(b) if so, the reasons for not making the appointments and the names of such banks where no appointment has been made or the tenure of Directors have expired?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI R. JANARTHANAN): (a) and (b) At present the Officer employee directors are in position in eight nationalised banks viz. Andhra Bank, Bank of Baroda, Canara Bank, Indian Overseas Bank, Oriental Bank of Commerce, Punjab National Bank, United Bank of India and

Vijaya Bank. The position of officer employee director is lying vacant in eleven remaining nationalised Banks, viz. Allahabad Bank, Bank of India, Bank of Maharashtra, Central Bank of India, Corporation Bank, Dcna Bank, Indian Bank, Punjab & Sind Bank, Syndicate Bank, UCO Bank, Union Bank of India, Action has been intiated for nomination of offcer employee directors on the boards of the nationalised banks where they are vacant or the existing incumbent is continuing as director even after the expiry of his tenure pending appointment of his successor. These nominations could not be made so far for various reasons like non determination of the majority status of the officers', association, court cases, non receipt of clearance in respect of some of the empanelled office bearers, discussions with Associations on modalities of si^ch nominations etc.